



HEALTH MINISTER MacEACHEN
Ten for the money.

THE REALM

Ringing in Medicare

On July 1, 1967, the bells in every steeple and town hall in Canada will peal for five minutes to herald the 100th anniversary of Confederation. Last week, after a federal-provincial health ministers' conference in Ottawa, the outlook seemed excellent that the bells will also ring in, on schedule, Prime Minister Lester Pearson's hustings promise of another massive venture in social security, nationwide medicare by mid-1967.

Federal Health and Welfare Minister Allan MacEachen added an urgent note to the conference with letters to the ten provincial governments last month. Since last July, the provinces have been busily running through their computers the P.M.'s offer to pay for half the cost of provincially-operated medicare schemes. But Pearson's request for an R.S.V.P. by Jan. 1 went by the boards, and on the assumption that a minimum 12-18 months would be needed to set up the formidable administrative machinery for medicare, Ottawa could see the mid-1967 deadline going thataway too.

Doubts Resolved. After last week's two days of closed sessions, MacEachen encouragingly reported that "we had a number of definite yesses and no nos." The enthusiastic yeas were three: pioneer Saskatchewan, which has every reason to welcome the prospect of 50% federal underwriting for its now 3½-year-old compulsory medicare scheme, and New Brunswick and Newfoundland, which are both eager to get into the game but lack money to go it alone.

For the record, the rest remained uncommitted, though MacEachen found all the straws in the wind reassuring. Quebec's Health Minister Eric Kierans could formally say nothing, since the Quebec cabinet is studying its own medi-

care report from a five-man committee. Privately, Kierans promised, "We'll be in—and on time." So, too, British Columbia indicated unofficially that Bennett country would go along, and MacEachen appeared to satisfy Ontario Health Minister Matthew Dymond's doubts. On April 1, Ontario will launch its own voluntary medical insurance scheme, roughly similar to the doctor-approved plans now operating in Alberta and B.C. The Ontario plan calls for premiums running from \$60 a year for a single person to \$150 for a family, subsidized in the case of low income earners—and provincially administered.

Ottawa insists that the provincial plans cover 90% of the population, take in virtually all physicians' services, be portable from province to province and government-run—though Pearson has indicated, for instance, that the doctor-managed Manitoba Medical Service would qualify so long as it comes under provincial supervision and audit. To qualifying provinces, Ottawa will pay half the national per capita cost, which Pearson estimated last July at \$28 a head. MacEachen now concedes that the figure is more likely to be \$34-\$35 per capita, or some \$670 million all told. As specific reassurance to Ontario, MacEachen promised that Ottawa would still pay 50% if the cost turns out to be higher—and enhanced the appeal of the offer to have-not provinces by pointing out that Ottawa's share, based on the national average, would doubtless pay more than half of their generally lower costs.

Even Alberta. Though the uncommitted provinces will probably insist on staying uncommitted until June's federal-provincial fiscal summit, where basic tax-sharing agreements will be worked out for 1967-72, a yes on medicare from the Big Three—Ontario, Quebec and B.C.—would almost certainly be decisive. The rest would have to come tumbling after or lose out on the lolly. Even Alberta, whose Premier Ernest Manning vigorously denounces compulsory medical insurance as akin to an invention of the devil? Declared MacEachen firmly: "We have no thought of giving Alberta special status because of its special views."

The conference came more quickly to agreement on the distribution of Ottawa's \$500 million Health Resources Fund, which is intended to pay for half of a projected \$1,006,245,000 expansion

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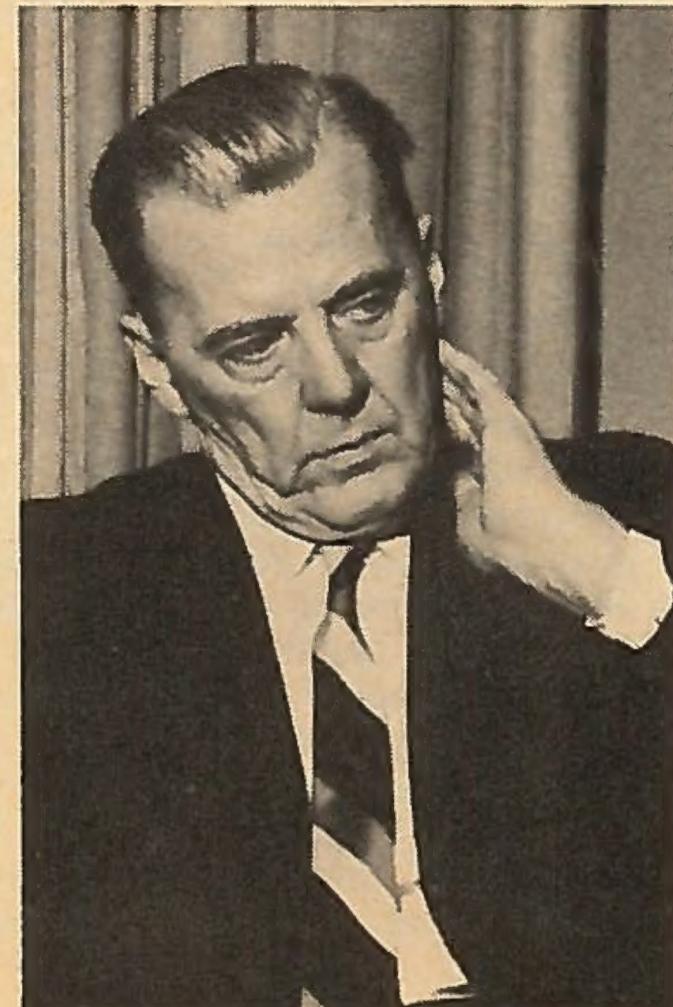
of medical and dental schools over the next 15 years. The ministers readily agreed to Ottawa's proposal to deal the Atlantic provinces \$25 million off the top, then divide \$375 million among the provinces on a per capita basis. Though Quebec argued that the same formula should apply to the remaining \$100 million, Ottawa insisted on retaining freedom to distribute that much itself to such national health resources as the Montreal Neurological Institute and Toronto's Sick Children's Hospital, or wherever federal wisdom feels the need is greatest.

THE ECONOMY

Battle of the Guidelines

When Quebec's Health Minister Eric Kierans wrote his angry letters to U.S. Commerce Secretary John Connor and Treasury Secretary Henry Fowler protesting the impact of Washington's investment guidelines in Canada, everyone from Prime Minister Pearson on down bawled him out for his undiplomatic bad manners. Clever Eric. Last week when he put his case to Toronto's Society of Financial Analysts, the editorial chorus unanimously said "ah, this is the sort of platform he should have chosen in the first place"—and then gave him the attention he had been shooting for. Letting fly his second barrel, Kierans

W. B. EDWARDS



QUEBEC'S KIERANS
\$2 billion for the deficit.